

**STATEMENT OF REVENUE AND EXPENSES**

	Current Year-to-Date		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member months.....	....XXX.....	....307,047.....	....583,412.....
2. Net premium income.....	....XXX.....	....56,585,518.....	....93,135,034.....
3. Change in unearned premium reserves and reserve for rate credits.....	....XXX.....	.....	.....
4. Fee-for-service (net of \$.....0 medical expenses).....	....XXX.....	.....	.....
5. Risk revenue.....	....XXX.....	.....	.....
6. Aggregate write-ins for other health care related revenues.....	....XXX.....	....0.....	....0.....
7. Total revenues (Lines 2 to 6).....	....XXX.....	....56,585,518.....	....93,135,034.....
<b>Medical and Hospital:</b>			
8. Hospital/medical benefits.....		....43,930,469.....	....65,600,164.....
9. Other professional services.....		....352,369.....	.....
10. Outside referrals.....		.....	.....
11. Emergency room and out-of-area.....		.....	.....
12. Aggregate write-ins for other medical and hospital.....	....0.....	....7,303,364.....	....16,419,230.....
13. Incentive pool and withhold adjustments.....		.....	....(3,637,512).....
14. Subtotal (Lines 8 to 13).....	....0.....	....51,586,202.....	....78,381,882.....
<b>Less:</b>			
15. Net reinsurance recoveries.....		.....	.....
16. Total medical and hospital (Lines 14 minus 15).....	....0.....	....51,586,202.....	....78,381,882.....
17. Claims adjustment expenses.....		.....	.....
18. General administrative expenses.....		....9,855,562.....	....17,273,351.....
19. Increase in reserves for accident and health contracts.....		.....	.....
20. Total underwriting deductions (Lines 16 through 19).....	....0.....	....61,441,764.....	....95,655,233.....
21. Net underwriting gain or (loss) (Lines 7 minus 20).....	....XXX.....	....(4,856,246).....	....(2,520,199).....
22. Net investment income earned.....		....523,914.....	....703,419.....
23. Net realized capital gains or (losses).....		.....	.....
24. Net investment gains or (losses) (Lines 22 plus 23).....	....0.....	....523,914.....	....703,419.....
25. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)].....		.....	.....
26. Aggregate write-ins for other income or expenses.....	....0.....	....596.....	....0.....
27. Net income or (loss) before federal income taxes (Lines 21 plus 24 plus 25 plus 26).....	....0.....	....(4,331,736).....	....(1,816,780).....
28. Federal and foreign income taxes incurred.....	....XXX.....	.....	.....
29. Net income (loss) (Lines 27 minus 28).....	....XXX.....	....(4,331,736).....	....(1,816,780).....

**DETAILS OF WRITE-INS**

0601.....	....XXX.....	.....	.....
0602.....	....XXX.....	.....	.....
0603.....	....XXX.....	.....	.....
0698. Summary of remaining write-ins for Line 6 from overflow page.....	....XXX.....	....0.....	....0.....
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above).....	....XXX.....	....0.....	....0.....
1201. Prescription Drug Paid Claims.....		....6,291,364.....	....11,228,474.....
1202. Change in Incurred But Not Reported.....		....1,012,000.....	....5,190,756.....
1203.....		.....	.....
1298. Summary of remaining write-ins for Line 12 from overflow page.....	....0.....	....0.....	....0.....
1299. Totals (Lines 1201 thru 1203 plus 1298) (Line 12 above).....	....0.....	....7,303,364.....	....16,419,230.....
2601. Miscellaneous Revenue / (Expense).....		....596.....	.....
2602.....		.....	.....
2603.....		.....	.....
2698. Summary of remaining write-ins for Line 26 from overflow page.....	....0.....	....0.....	....0.....
2699. Totals (Lines 2601 thru 2603 plus 2698) (Line 26 above).....	....0.....	....596.....	....0.....

**STATEMENT OF REVENUE AND EXPENSES (Continued)**

<b>CAPITAL AND SURPLUS ACCOUNT</b>		<b>1 Current Year-to-Date</b>	<b>2 Prior Year</b>
30. Capital and surplus prior reporting year.....		9,455,657	2,882,849
<b>GAINS AND LOSSES TO CAPITAL AND SURPLUS</b>			
31. Net income or (loss) from Line 29.....		(4,331,736)	(1,816,780)
32. Change in valuation basis of aggregate policy and claim reserves.....			
33. Net unrealized capital gains and losses.....			
34. Change in net unrealized foreign exchange capital gain or (loss).....			
35. Change in net deferred income tax.....		142,763	
36. Change in nonadmitted assets.....		(134,262)	418,564
37. Change in unauthorized reinsurance.....			
38. Change in treasury stock.....			
39. Change in surplus notes.....			
40. Cumulative effect of changes in accounting principles.....			
41. Capital changes:			
41.1 Paid in.....		3,400	8,000
41.2 Transferred from surplus (stock dividend).....			
41.3 Transferred to surplus.....			
42. Surplus adjustments:			
42.1 Paid in.....		3,396,600	7,992,000
42.2 Transferred to capital (stock dividend).....			
42.3 Transferred from capital.....			
43. Dividends to stockholders.....			
44. Aggregate write-ins for gains or (losses) in surplus.....		331,515	(28,976)
45. Net change in capital and surplus (Lines 31 to 44).....		(591,720)	6,572,808
46. Capital and surplus end of reporting period (Line 30 plus 45).....		8,863,937	9,455,657

**DETAILS OF WRITE-INS**

4401. Change in Accounting - Admitted Deferred Tax Assets - Codification Change.....	302,540	
4402. Deferred Tax Liability.....	28,976	(28,976)
4403. Rounding.....	(1)	
4498. Summary of remaining write-ins for Line 44 from overflow page.....	0	0
4499. Totals (Lines 4401 thru 4403 plus 4498) (Line 44 above).....	331,515	(28,976)